Completing the Transition

BC Games Society
2002-2003 Annual Report

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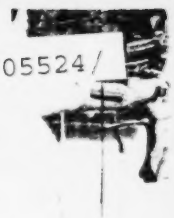

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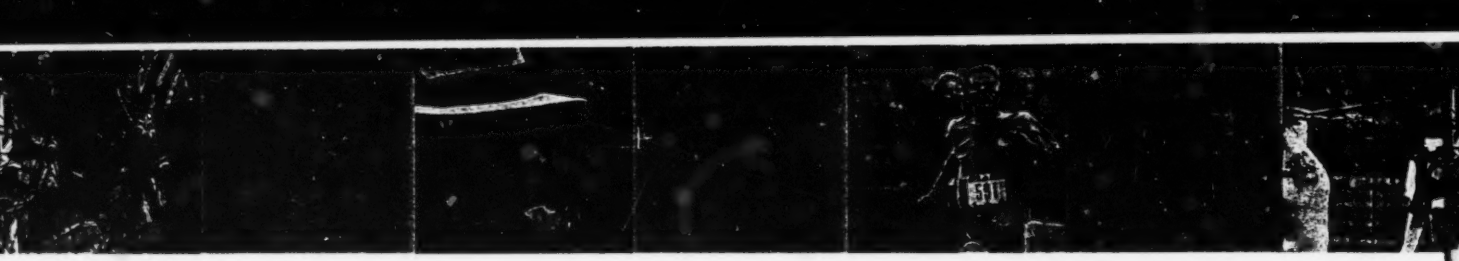
Photo Credits: Nanaimo 2002 BC Summer Games



Mandate and Membership of the Board

The BC Games Society was established in 1977 by the provincial government to promote community and sport development across BC. Responsible for the policy of the society is a fifteen member community based Board of Directors appointed by Ministerial letter. The Director's activities and responsibilities are governed by British Columbia's Guidelines for Conduct of Government Appointees to BC Agencies, Boards and Commissions.

BOARD MEMBERS

Joan Hess, Co-Chair, West Vancouver
John Furlong, Co-Chair, Richmond
Donna Gallagher, BC Disability Sports and Chair Sport Committee, Vancouver
Gary Young, Chair Marketing/Communications Committee, North Vancouver
Marni Abbott, Sport, Vancouver
Rod Cox, Finance and Marketing/Communications, Terrace
Alan Davis, Chair Finance, Cranbrook
Bob Irwin, Northern BC Winter Games Society and Sport, Kitimat
George Kawaguchi, Sport, Burnaby
Graham McKay, Provincial Government and Finance, Victoria
Cynthia Meier, BC Seniors Games Society, Telkwa (deceased)
Sharon White, Provincial Government and Marketing/ Communications, Victoria
Jennifer Williams, Sport, Duncan
Marion Lay, Past Co-Chair, Vancouver
Ron Austen, Past Co-Chair, Duncan

FUNDING AND CORPORATE PARTNERS

BRITISH COLUMBIA
Ministry of Community
Aboriginal and Women's Services

Jazz

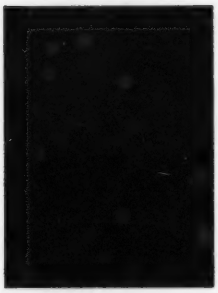
Global

Quality Foods

A Bright Future

Joan Hess
Co-chair

John Furlong
Co-chair



Kelly Mann
President and CEO

A bright future lies ahead for the BC Winter and BC Summer Games as we move into the next phase of the long history of these provincial events. Now that we are established as a platform for the developing athlete, coach and official, the BC Games can continue to provide opportunities for many segments of the sport community.

Whether training volunteers at the host community level or providing broadened opportunities for coaches and officials, we recognize that to provide these services requires partnerships with other sport agencies. By expanding our agreements with Sport BC and Promotion Plus, and beginning a new relationship with the Aboriginal Sport and Recreation Association, the BC Games is able to impact more segments of the population without expanding our budget.

Our role in the sport system is being recognized more and more for the broad benefits it brings, not only to athletes and their chosen sport, but also to cities as an event to rally around and provide a positive impact economically. The business community also holds the BC Summer and BC Winter Games in high regard as it continues to support us in return for consistent, high quality promotional opportunities. The continuing relationships with Global Television and Air Canada Jazz remain strong and we are so pleased to welcome Quality Foods of Qualicum Beach to the BC Games family. Their collective contributions allow us to continue to balance the budget, while giving athletes a quality experience.

With a decision on the 2010 Olympic and Paralympic bid for Vancouver only weeks away, we hope for a convincing win on July 2nd. Despite the outcome, athletes and communities will continue to be well served by the BC Winter and BC Summer Games. The outlook for this twenty-five year tradition in sport, and this province, is strong and the confidence placed in us by the sport system, is well deserved.

Mission

The BC Games Society, through partnerships, is committed to excellence in event management leadership which achieves sport, individual and community development.

VISION

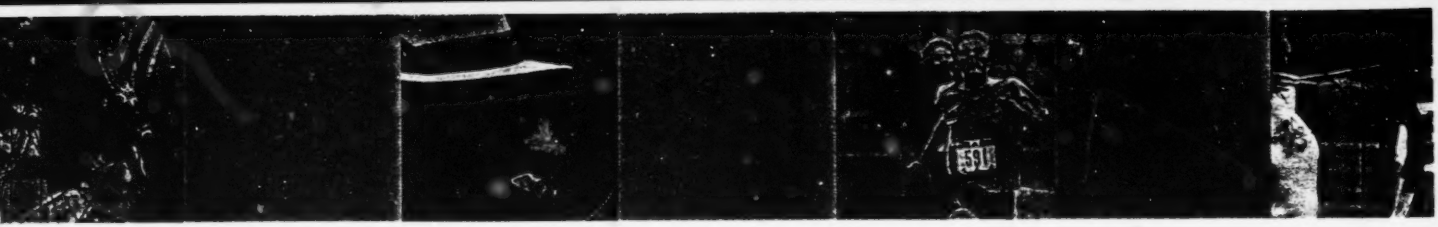
Visions of how we will operate as a Board and Staff partnership:

- Entrepreneurial approaches and positive public/private partnerships are evident in how we operate.
- The economic and social benefits to communities in hosting the Games produce quality bids from a variety of communities.
- BC athletes, coaches, and officials in national and international competition will benefit from the experience of a BC Games.
- Mutual accountability and transparency in all our partnerships is a standard method of operation.
- Elected officials value and support the Games.
- The Games are a vehicle for a community development "living legacy" in such things as better-trained coaches, new sport clubs, facility improvements, community pride and spirit, and skilled event management volunteers in each host community.
- Participants remember the Games as a best ever multi-sport experience.
- BC Games Society Board represents a model in leadership and governance.
- The Society will successfully deliver programs, in addition to the BC Games, that help it achieve its mission.
- Progressive management practices and personnel policies reflect a fair and equitable work environment indicative of a healthy workplace and organization.

VALUES

Values that underpin how we interact in our relationships:

- Appreciation and understanding of all partners' perspectives is actively sought.
- We have an organizational climate of mutual trust and support between the Board and Staff where roles and responsibilities are clarified and policies followed.
- Quality and service driven approaches continually redefine and determine the most efficient and effective method of delivering event management services and programs.
- Commitment to broad social issues affecting all British Columbians including health and wellness, personal and community development, equity, access and inclusiveness is demonstrated.
- The organizational culture honours both the individual and the contribution of the team.
- Partnerships and collaboration are the foundation to our working relationships.
- Investment in our human resources is critical to our long-term success and we strive to offer personal/professional development opportunities to Board, Staff and Volunteers.



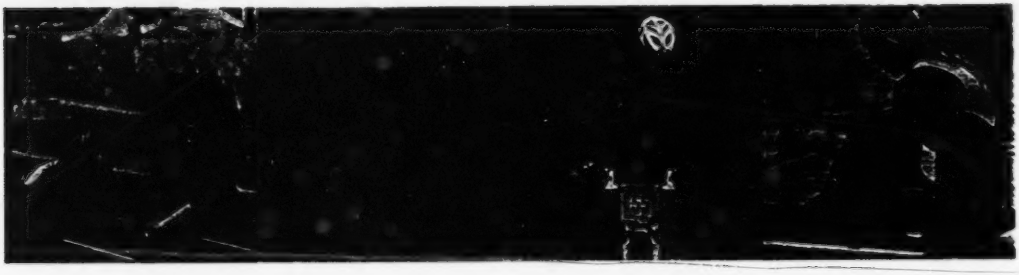
Key Assumptions

FORECAST RISKS AND SENSITIVITIES

During the period covered by this Annual Report, the BC Games Society planned for / funded / staged:

- Victoria 2002 Olympic Youth Academy
- Abbotsford 2002 BC Disability Games
- Nanaimo 2002 BC Summer Games
- Prince George 2002 BC Seniors Games
- Stuart Nechako 2003 Northern Games
- Vancouver 2003 Olympic Youth Academy
- Kelowna 2003 BC Disability Games
- Chilliwack 2003 BC Seniors Games
- Kitimat 2004 Northern Games
- Port Alberni 2004 BC Winter Games
- 2004 Olympic Youth Academy
- 2004 BC Disability Games
- Abbotsford 2004 BC Summer Games
- Penticton 2004 BC Seniors Games

The BC Games Society has received confirmation of funding through its current Service Plan



Promoting the Olympic and Paralympic Bid

"We are appreciative for the time and support you have shown our organization."

2010 LegaciesNow

The Board of the BC Games Society recognizes the importance of obtaining the right to host the 2010 Olympic and Paralympic Winter Games.

ALONG THE WAY THE BC GAMES HAVE PROVIDED...

- In excess of 120,000 impressions through website links, direct mail advertisements and on-site promotional opportunities
- Staff and software support to the IOC visitation in March 2003
- Continuing secondment of staff begun in November 2001
- Inclusion of a bobsleigh sprint event in the BC Winter Games to assist in the development of athletes and coaches toward February 2010
- Direct mail campaign to 1200 families encouraging support for the February 2003 plebiscite

Graduates of the Olympic Youth Leadership Academy have taken the message of Olympism to their schools and to their peers and are spearheading 2010 bid awareness. One alumnae of this year's class is co-chairing the Program Committee, which is responsible for establishing the content and structure of the Academy.

"I really enjoyed my week at the Olympic Youth Academy. I appreciated the opportunity to learn new organizational and leadership skills. I had fun participating in the activities the leaders and other participants organized. I met many people from across the province, some I still keep in touch with."

Courtney Reed, Olympic Youth Leadership Academy Participant

Several graduates were selected to be part of the CIBC Youth Bid Ambassadors program which is assisting the 2010 Bid Corp in their campaign to host the 2010 Olympic and Paralympic Winter Games.

"The Olympic Youth Leadership Academy has equipped me with new skills which I have applied to all aspects of everyday life. It has given me a greater love for sport and inspired me to become a Bid Ambassador to be a representative of youth and support the Olympics. Let's bring the Games home to Canada."

Dave Wight, Olympic Bid Youth Ambassador

Entrepreneurial Activities

OBJECTIVE

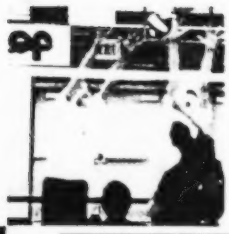
Increase level of non-governmental financial support to the benefit of the BC Games financial sustainability

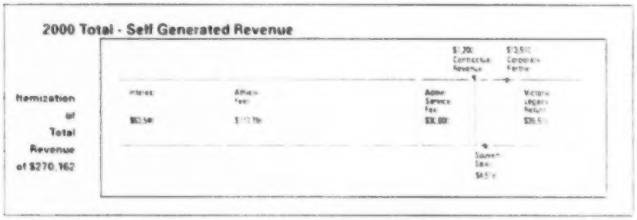
PERFORMANCE INDICATORS

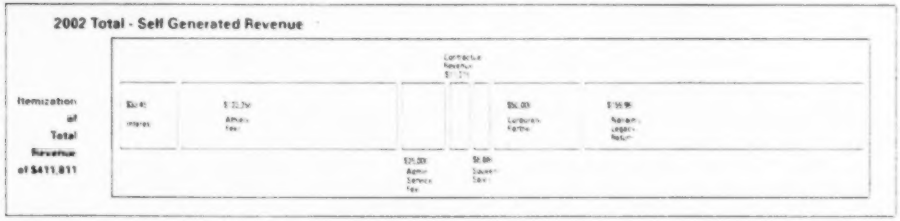
- BC Games receives additional corporate contributions of $50,000 per year
- Existing corporate partners remain as part of the success of the BC Games
- BC Games Society is able to continue its tradition of a balanced budget

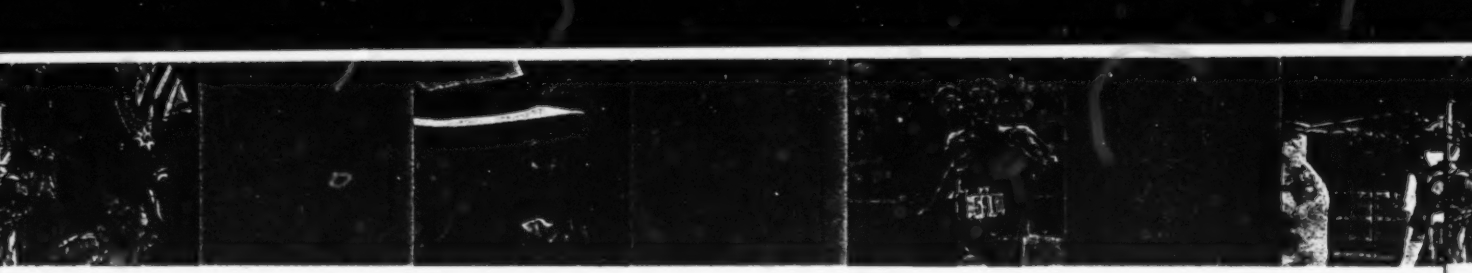
"The partnership with the BC Games and our airline, which has withstood the test of favourable and less than favourable economic conditions, could very definitely come under the heading of "win-win". Being so highly visible in the direct support of youth, seniors and the disabled in amateur athletic competition is indeed an enviable position to be in."

Graeme Roberts, Air Canada Jazz









Nanaimo 2002 BC Summer Games

OBJECTIVE

To provide an opportunity for development of athletes, coaches and officials in preparation for higher levels of competition in a multi-sport event, which promotes interest and participation in sport, sporting activities, individual achievement and community development

PERFORMANCE INDICATORS

Increased growth in the popularity of the BC Summer Games by eligible participants as more discover the values of training and competition

Young participants interest in the BC Summer Games impacts their lifestyles in a positive way
The success of the BC Summer Games is recognized by municipal and provincial leaders as a celebration of young British Columbians and of community

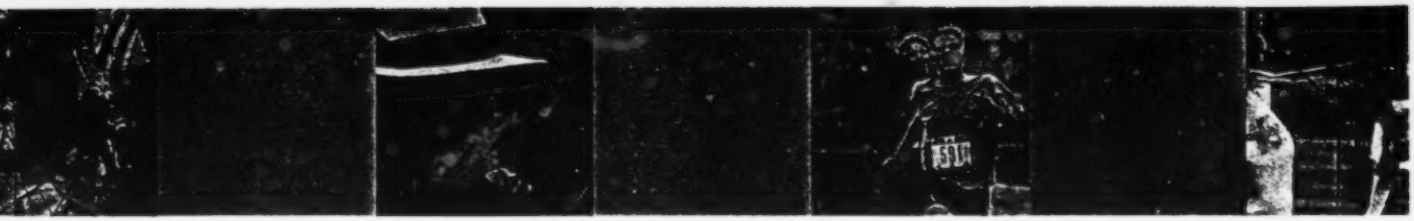
The BC Summer Games continue to be pursued by host cities as an opportunity to expand the benefits of sport tourism in their community

BC Summer Games athletes and coaches go on to provincial, national and international competition
Coaches continue with education opportunities providing BC with a greater number of level 2 & 3 coaches

Trained volunteers continue to offer their skills in a variety of community endeavours

"What we are doing here is selling the dreams of glory for not only local kids on the Island but right across BC. Nanaimo business believes in the youth in this province. The kids that are coming to the Games are kids that want to achieve their personal best. We feel companies want to be connected to that."

Alex Marriott, Regional Sales Executive, Island Farms Dairies



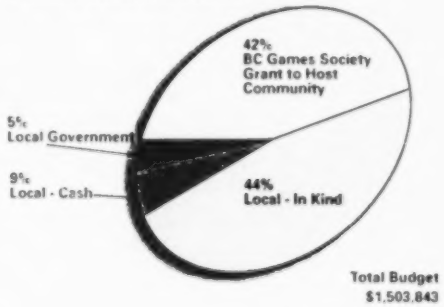
Nanaimo 2002 BC Summer Games

In August 2002, Nanaimo held their second BC Summer Games. Nanaimo hosted 2628 athletes, 469 coaches and 266 officials, most of who were participating in a sport that had already made the switch from participation to developmental. Only seven sports of the twenty-nine attending Nanaimo were still competing under the "old rules" of BC Games, indicating that the Provincial Sport Organizations have embraced this change officially not due until 2004

PROVINCIAL INVESTMENT LEVERAGES COMMUNITY SUPPORT

The BC Summer Games are a magnet for community investment with close to one million dollars being raised in support of provincial athletes and sport

Nanaimo 2002 BC Summer Games
Sources of Cash & In-Kind Contributions

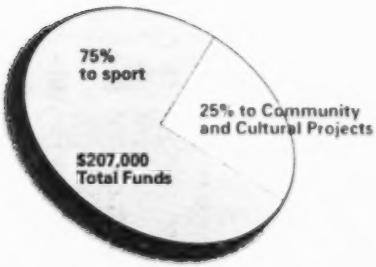


Total Budget
$1,503,843

LEGACY OF BC SUMMER GAMES CONTINUES TO BENEFIT SPORT

Infrastructure improvements and long term education for coaches and officials highlighted the recipients receiving grants from the Nanaimo Legacy Fund. Created by budget savings, interest on short-term investments and souvenir sales, this fund is distributed for the greater good of sport and community across Nanaimo

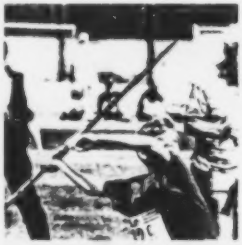
Nanaimo Legacy Fund

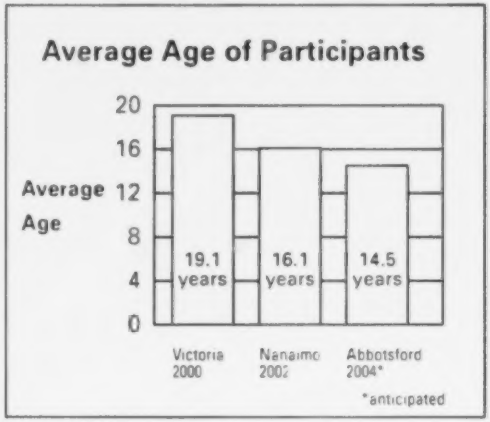


Nanaimo 2002 BC Summer Games

"New, lower age categories worked very well, perhaps the best Games I have attended with regards to competition in close to 10 years."

Allan Prazsky, Provincial Advisor, Cycling BC





In keeping with the BC Games Society direction to move toward a full sport development model for 2004, 76% of the 29 participating sports in Nanaimo brought athletes younger than their youngest provincial team. This step now allows and encourages sports to showcase their finest athletes while identifying those who may go on to higher levels of provincial and national level competition.

"I would like to thank the BC Games Society for its ongoing support for the sport of water-skiing. No other provincial tournament provides this level of cross - provincial participation, together with zone team pride for an individual discipline sport."

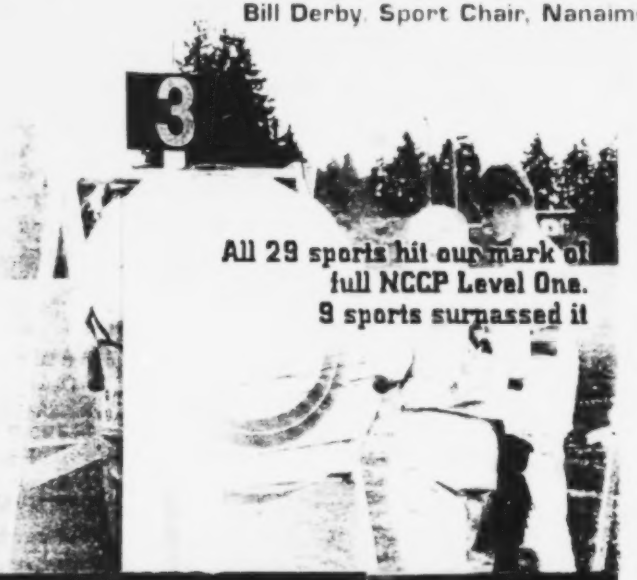
Barry Fairbank, Sport Chair, Nanaimo 2002 BC Summer Games

Coaching at the BC Summer Games

"Personally, I am actively involved in smallbore shooting and am running/coaching a local smallbore program for juniors."

Bill Derby, Sport Chair, Nanaimo

If athletes are to develop, they must be given the specific sport skills only a qualified coach can provide. Raising the coach certification standard began several years ago and the athletes are now receiving the effects of that increased level of coaching knowledge. In Nanaimo, all 29 sports met their National Coaching Certification Program (NCCP) standards of full Level I while nine sports requested coaches with a level above that.



Volunteers

"Hosting athletes and coordinating an event of this magnitude is no small task and the Nanaimo 2002 BC Summer Games were a shining example of how a great event should be run."

Mike Hunter, MLA, Nanaimo

Approximately one quarter of the forty two hundred volunteers who offered their services to the 2002 Games were past helpers in 1985, a clear indication that the experiences associated with volunteering at a BC Games are enjoyable and valued.

BC SUMMER GAMES VOLUNTEERS TAKE THEIR EXPERIENCES FORWARD TO FURTHER HELP THEMSELVES AND THEIR COMMUNITY...

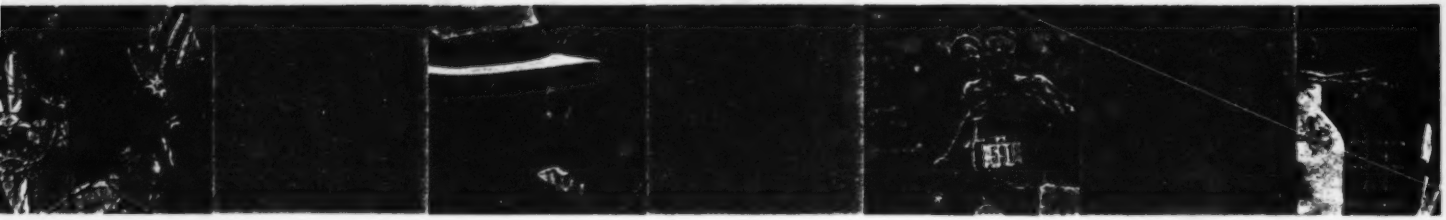
- President Dave Bakes became the community leader for Nanaimo's support of the Vancouver Olympic / Paralympic Games bid.
- Sport Director Jack Doan won a seat as a Trustee in the Nanaimo School District
- Newly elected City Councillor Dawn Tyndall was the Director of Promotions for the BC Summer Games
- Board Directors Jenny Gee and Alex Marriott are members of the Organizing Committee for the inaugural Nanaimo Dragon Boat Festival

"Based on the event management structure of the BC Summer Games, we hope to soon have a Dragon Boat Festival in Nanaimo. The tasks and timelines gave everyone a clear understanding of their roles and we hope to mirror the success of August 2002."

Tourism Nanaimo

"Nanaimo's extremely positive experience with hosting the BC Summer Games has certainly re-inforced our community confidence and interest in bidding on similar events in the future."

Mayor Gary Korpan

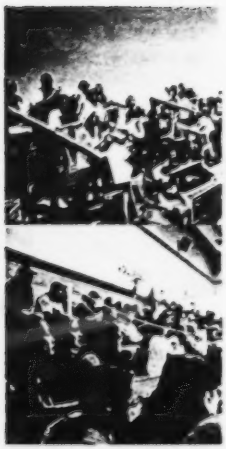


The BC Family of Games makes an impact.....

The partnership between the BC Games Society and each of the Northern BC Winter Games, the BC Disability Games and the BC Seniors Games continues to provide advantages to the volunteers and the athletes of the respective multi-sport events.

"When you live in a community of only 6,000 people anticipating the arrival of up to 3,000 competitors, officials, dignitaries and fans, it doesn't take long to realize this is going to take a whole community's involvement to pull it off successfully.... When you start to realize that you're going to need over 1,000 billets and that you will need to recruit and train 1,200 volunteers for all of the many activities and functions, the scale of community involvement becomes staggering, but it is that total community commitment that makes hosting these Games so worthwhile."

Roger Harris, MLA Skeena. Excerpt from debate in the 2002 Legislative Session: 3rd Session, 37th Parliament, April 8, 2002. HANSARD



"Seniors in search of excellence–that's what the BC Seniors Games exemplifies. They train, prepare, and strive for their best mentally and physically. The Games provide a venue for participation and competition but above all, a welcoming community, a place where friendships are made and renewed, a time when life is lived to the fullest. During the Games, the host community is enlivened by their healthy senior visitors and the wonderful corps of local volunteers that make the Games possible."

John Bishop, President, BC Seniors Games Society

"The Abbotsford 2002 BC Disability Games were a tremendous success! I know that our community learned a great deal from hosting these Games and we were left a lasting legacy of volunteerism and awareness. We can credit our success to the incredible efforts of our Vice President, the Directors and staff, and the many volunteers who went above and beyond the call of duty. I personally have a tremendous feeling of accomplishment and thank all the people who made my job easier and indeed a lot of fun."

Eugene D. Reimer, President, Abbotsford 2002 BC Disability Games

Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the BC Games Society have been prepared by management in accordance with generally accepted accounting principles. The financial statements present fairly the financial position of the society as at March 31, 2003 and the results of its operations.

Management is responsible for the integrity of the financial statements and has established a best practices policy as conveyed by the Auditor General of British Columbia regarding internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records properly maintained to facilitate the preparation of reliable financial statements in a timely manner.

Kelly Mann
President and CEO

Gordon Hutcheson, FCA
Accountant

Financial Statements

B.C. GAMES SOCIETY
SCHEDULE OF EXPENSES
YEAR ENDED MARCH 31, 2003

AUDITORS' REPORT

To: The Board of Directors of the B.C. Games Society

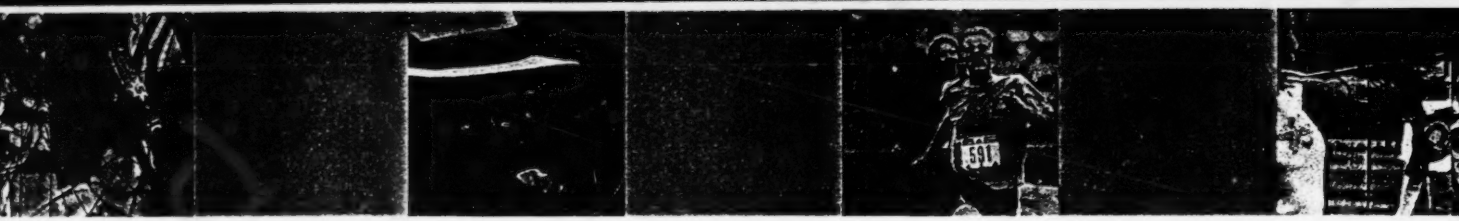
We have audited the statement of financial position of the B.C. Games Society as at March 31, 2003 and the statements of General and Team B.C. operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2003 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

MANTELL DICKSON BLADES and WISEMAN

Victoria, B.C.
May 6, 2003
Chartered Accountants



Financial Statements

B.C. GAMES SOCIETY

STATEMENT OF FINANCIAL POSITION

YEAR ENDED MARCH 31, 2003

	2003 $	2002 $
ASSETS		
CURRENT		
Cash and cash equivalents	750,361	836,446
Receivables	182,971	34,812
Prepaids	1,295	2,068
	934,627	873,326
CAPITAL ASSETS (Note 3)	33,474	47,975
	968,101	921,301
LIABILITIES		
CURRENT		
Payables and accruals	44,574	235,294
Deferred funding (Note 12)	26,795	-
	71,369	235,294
NET ASSETS		
NET ASSETS INVESTED IN CAPITAL ASSETS	33,474	47,975
INTERNALLY RESTRICTED NET ASSETS – TEAM B.C.	-	26,795
INTERNALLY RESTRICTED FUNDS	135,000	-
UNRESTRICTED NET ASSETS	728,258	611,237
	896,732	686,007
	968,101	921,301

Financial Statements

B.C. GAMES SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2003

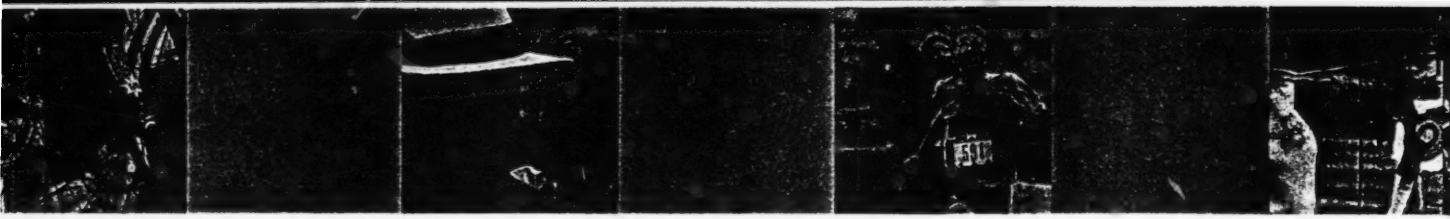
CURRENT YEAR (2003)

	Investment in Capital Assets $	Internally Restricted Team B.C. $	Internally Restricted Funds (Note 7) $	Unrestricted Operations $	2003 Total $
NET ASSETS, beginning of year	47,975	26,795	-	611,237	686,007
EXCESS OF REVENUE OVER EXPENSES	-	-	-	237,520	237,520
TRANSFERRED TO DEFERRED FUNDING	-	(26,795)	-	-	(26,795)
TRANSFERRED TO INTERNALLY RESTRICTED FUNDS	-	-	135,000	(135,000)	-
AMORTIZATION OF CAPITAL ASSETS	(25,853)	-	-	25,853	-
INVESTMENT IN CAPITAL ASSETS	11,352	-	-	(11,352)	-
NET ASSETS, end of year	33,474	-	135,000	728,258	896,732

PRIOR YEAR (2002)

	Investment in Capital Assets $	Internally Restricted Team B.C. $	Internally Restricted Funds (Note 7) $	Unrestricted Operations $	2002 Total $
NET ASSETS, beginning of year	69,314	75,965	-	416,876	562,155
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	(49,170)	-	173,022	123,852
AMORTIZATION OF CAPITAL ASSETS	(37,317)	-	-	37,317	-
INVESTMENT IN CAPITAL ASSETS	15,978	-	-	(15,978)	-
NET ASSETS, end of year	47,975	26,795	-	611,237	686,007

See accompanying notes



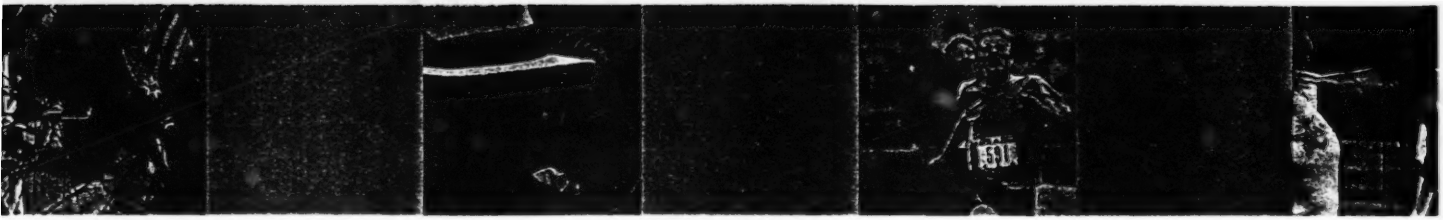
Financial Statements

STATEMENT 1

B.C. GAMES SOCIETY
STATEMENT OF GENERAL OPERATIONS
YEAR ENDED MARCH 31, 2003

	2003 $	2002 $
REVENUE		
Grants - Province of British Columbia		
Ministry Grant	1,832,000	1,947,000
Less: Team B.C. portion	-	(115,000)
	1,832,000	1,832,000
Funding partners (Note 10)	50,000	-
Souvenirs	8,886	7,388
Contractual revenues, net (Note 13)	11,219	16,201
Seniors Games contribution	25,000	30,000
Athlete Registration	123,258	71,741
Interest earned	33,456	58,156
	2,083,819	2,015,486
EXPENSES		
Salaries and employee benefits	532,029	533,921
Travel and accommodations	46,176	61,716
Professional services	21,388	30,185
Computer maintenance	1,388	2,163
Office and business expenses	59,446	72,790
Advertising and publications	40,953	59,501
Insurance, leases and utilities	102,200	90,031
Games operating costs	481,830	299,050
Amortization	25,853	37,317
Operating grants, less returns	535,036	655,790
	1,846,299	1,842,464
EXCESS OF REVENUE OVER EXPENSES	237,520	173,022

See accompanying notes



Financial Statements

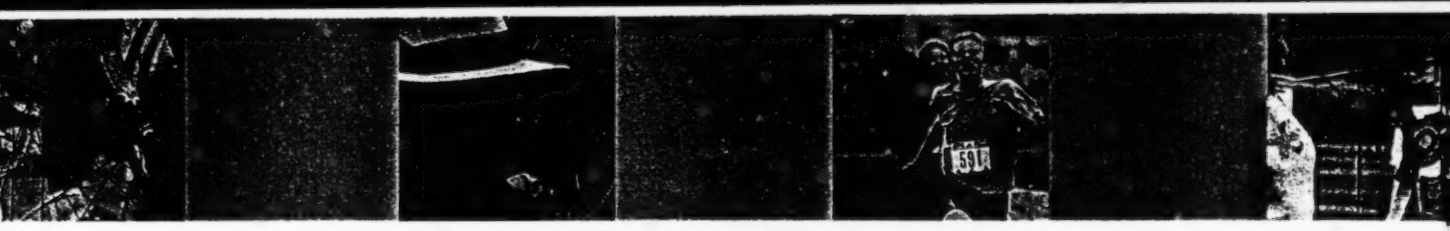
B.C. GAMES SOCIETY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2003

	2003 $	2002 $
CASH FLOW DERIVED FROM (APPLIED TO)		
Operating		
Excess of revenue over expenses	237,520	123,852
Amortization	25,853	37,317
	263,373	161,169
Changes in non-cash operating working capital		
Receivables	(148,159)	(1,951)
Prepaids	773	(292)
Payables and accruals	(190,720)	179,292
	(74,733)	338,218
Investing		
Purchase of equipment, less sales	(3,602)	(7,310)
Software development	(7,750)	(8,668)
	(11,352)	(15,978)
NET INCREASE (DECREASE) IN CASH	(86,085)	322,240
CASH, beginning of year	836,446	514,206
CASH, end of year	750,361	836,446

See accompanying notes



Financial Statements

STATEMENT 1

B.C. GAMES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2003

1. STATEMENT OF PURPOSE

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development. The Society has also provided support to athletes and volunteers from British Columbia participating in the Canada Games. This program is known as Team B.C. The Society involvement with Team B.C. was concluded at the end of the 2002 fiscal year.

Approximately 87% of the Society's revenues are received from the Province of B.C. with the remainder generated by corporate sponsors, surpluses from host societies, athlete registration fees, contract service and interest.

The Northern B.C. Winter Games, the B.C. Winter Games, the B.C. Disability Games, the B.C. Summer Games and the B.C. Seniors Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The term "Society" is used to mean the B.C. Games Society.

(a) Capital Assets

Amortization is calculated on a straight-line basis over the asset's estimated useful economic life, as follows:

Computer and general application software	3 years
Registration programs and computer cabling	5 years
Bedding, flags and signs for Host Societies	7 years
Furniture and equipment	10 years
Trademarks	20 years
Leaseholds	over the term of the lease

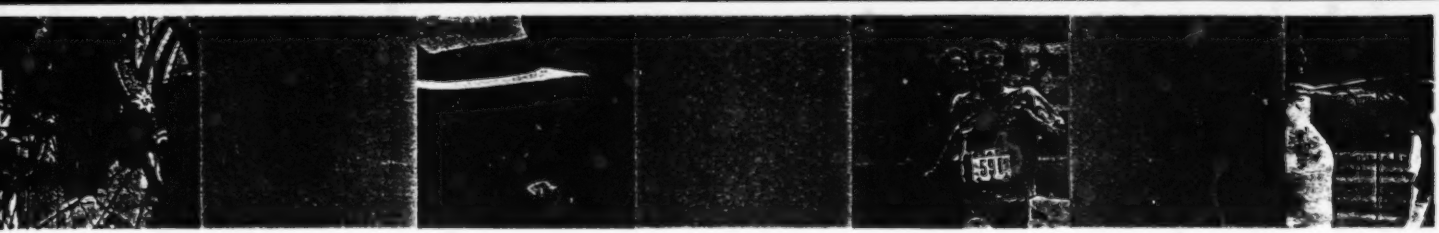
In the year of purchase capital assets are amortized at half their normal rates.

(b) Revenue Recognition

The Society follows the deferral method of accounting for Grants and Contributions received, whereby revenues are matched with expenses. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Donated or discounted goods and services are recorded at the amount of cash consideration.

Receipt of surplus from Summer and Winter Games Societies is recorded at the earlier of cash receipt and final determination of the amount of the surplus.



Financial Statements

B.C. GAMES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Measurement Uncertainty and the Use of Estimates
The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates.

(d) Provincial Contributions
The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

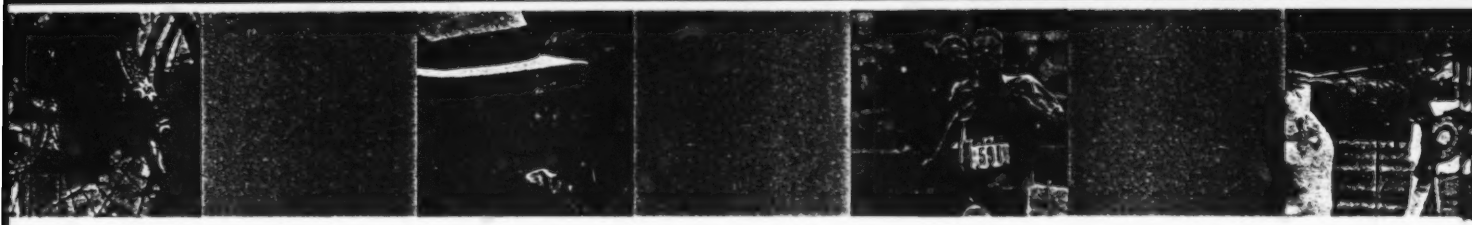
(e) Legacy Funds - Host Communities
Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

(f) Grants to Host Societies

Grants to host societies are recorded as an expense when disbursements of funds has been authorized.

3. CAPITAL ASSETS

	2003 $	2002 $
Registration software	225,838	218,088
Application software	11,178	11,178
Computers	69,188	65,586
Bedding, flags and signs for Host Societies	168,410	168,410
Furniture and equipment	20,732	20,732
New cabling	8,436	8,436
Leaseholds	17,172	17,172
Trademarks	763	763
At cost	521,717	510,365
Less: accumulated amortization	488,243	462,390
Net book value	33,474	47,975
Additions during the year		
Computers	3,602	3,622
Software	-	3,688
Registration software enhancements	7,750	8,668
	11,352	15,978



Financial Statements

B.C. GAMES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2003

4. SURPLUS FROM HOST SOCIETIES

Surplus from the host societies is comprised of:

	2003 $	2002 $
Nanaimo 2002 Summer Games Society	159,997	-
Williams Lake 2002 Winter Games Society	59,967	-
Victoria 2001 Summer Games Society	-	39,192
	219,964	39,192

The surplus from Nanaimo 2002 Summer Games Society was received subsequent to the year end but was determined prior to the fiscal year end therefore it has been included in the 2003 year. An amount of $135,000 has been restricted for use in projects identified for the 2003/2004 fiscal year.

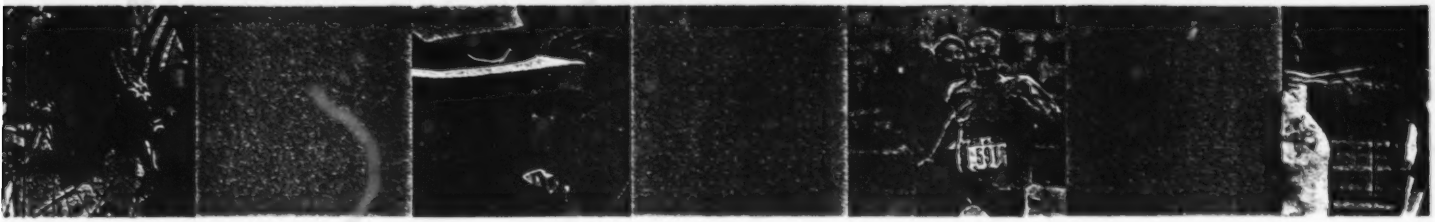
5. COMMITMENTS

The Society has commitments arising from contractual agreements for office equipment, television advertising, employment services, and a lease for office premises. The Society is also committed to provide funding to host societies for staging of events scheduled during the years.

General Commitments

Minimum annual commitments in each of the next five fiscal years are as follows:

	Total $
2004	173,400
2005	149,900
2006	10,300
2007	9,500
2008	4,700
	347,800

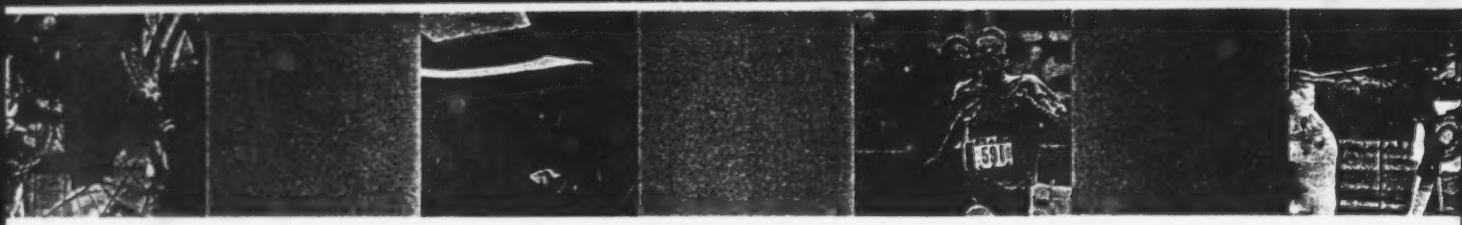


Financial Statements

B.C. GAMES SOCIETY
SCHEDULE OF EXPENSES
YEAR ENDED MARCH 31, 2003

Host Society Commitments

	2004 $	2005 $	2006 $	2007 $	
2004 to 2008					
B.C. Seniors Games	45,000	45,000	-	-	
B.C. Disability Games	45,000	45,000	-	-	
Northern B.C. Winter Games	45,000	45,000	-	-	
Port Alberni Winter Games Society	475,000	-	-	-	
Abbotsford Summer Games Society	50,000	550,000	-	-	
Greater Trail Winter Games Society	-	50,000	450,000	-	
Kamloops Summer Games Society	-	-	50,000	550,000	
	660,000	735,000	500,000	550,000	2,445,000
Total five year commitments					2,792,800



Financial Statements

B.C. GAMES SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2003

6. CONTINGENT LIABILITY

The Society has been named as a party to a possible lawsuit related to injuries sustained by a volunteer of the Nanaimo 2002 Summer Games. As the outcome is not yet determined, no provision has been made to the accounts with respect to this matter.

7. INTERNALLY RESTRICTED FUNDS

The Society has allocated $135,000 of the current surplus for use during the 2003/2004 fiscal year for foam mattresses, computer and other office equipment and a provision for a possible claim against the Society as detailed in Note 6.

8. RELATED PARTY TRANSACTIONS

The Society is economically dependent on the receipt of funding from the Province of British Columbia. Early in each fiscal year the annual funding for the Province is paid to the Society to cover the operating cost for that year. The use of the funds is governed by the Agreement for Financial Assistance signed by both parties.

During the fiscal year, the Society received funding of $1,832,000 from the Province. These funds are held in trust by the Province in short-term securities with interest being credited to the Society each month.

Details of transactions are as follows:

	2003 $	2002 $
Grant received	1,832,000	1,947,000
Interest earned	33,456	57,532
Balance in the Investment Trust Account at year end (included in cash equivalents on the Statement of Financial Position)	739,249	713,798
Deferred funding (Note 12)	26,795	-

9. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and cash equivalents, receivables, payable and accruals. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

10. REVENUES FROM FUNDING PARTNERS CONSIST OF:

	2003 $	2002 $
Quality Foods	50,000	-

BRITISH COLUMBIA

Ministry of Community, Aboriginal and Women's Services
Honourable George Abbott, Minister

BC Games Society
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